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3 August 1967

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MEMORANDUM FOR THE RECORD

SUBJECT: OSA - OPPB Budget Hearing

Adm-2.3

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[Redacted]

2. [Redacted] said that OPPB will go to the DCI in mid-August with the recommended operating budget levels. They will also have, by that time, the Executive Director-Comptroller's recommendations for FY 1969 office estimates. We can expect guidance for further Phase II budget preparation which will probably reach the Directorates about 15 August.

3. [Redacted] also emphasized that OSA will have a BOB hearing in October and that the OSA/OPPB/DDS&T presentations must be consistent. In reference to the budget hearings he said that OPPB estimates that there will be a Government pay raise and that the Agency will have to accommodate this in house. There will be a rather drastic budget cut this year. The Agency is backed into a corner regarding positions because of FY 68 over-ceiling requests. This is especially pertinent in view of the DCI's statement that the Agency "will not grow anymore."

4. After stating that [Redacted] is now the OSA analyst in OPPB, [Redacted] asked why there were so many positions requested for OSA in FY 69 for a "one aircraft show."

5. [Redacted] stated the OSA policy of creating a new position only when an old one can be abolished before he continued with the discussion of the OXCART Phase-out. This phase-out was predicated upon the USAF capability to assume over-flight duties with the SR-71 in December. While OSA does not believe the SR-71 will be able to do the job and there will be no valid estimate possible at least until October, they still assume a complete phase-out by December. He recalled that the previous budget estimate was based on no OXCART deployment. Because of the recent successful deployment, the people who should have started leaving in June are still here. The FY 68 budget requirement will probably approach the normal for the past because the people who now are held in OXCART until December must remain on the payroll until approximately June 1968. The result of this is that FY 68 will probably require a normal [Redacted] budget for FY 68.

6. Even if OXCART phases out on schedule, it will still take up to two years to clear up contract actions and then realize any savings in support areas. Several

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other things also contribute to the need for approximately [] after OXCART goes.

- a. [] move will include OXCART as well as IDEALIST now.
- b. The U2R requires more people to operate than does the U2C.
- c. U2R Avionics are more complicated and hence require more people.
- d. Training for [] is being done at Edwards and requires additional resources such as the Link Trainer which was recently requested.
- e. The decision that we and SAC will each have a mixed U2C-U2R fleet automatically requires more people.
- f. The [] positions at [] will be required for [] as well as other support.
- g. OSP requirements on OSA are steadily climbing.
- h. [] must be increased for deployments.
- i. OSA is still closing out the USAF contract support for SR-71, TAGBOARD and so forth.

8. [] asked about the distribution of effort between USAF and CIA contract negotiators in OSA. He implied that the contracting staff should be reduced when OXCART ceases. Neither the CIA nor the USAF negotiators work in a parochial fashion; each may work for or with the other. We are also reminded that OSA is to do the SR-71 ECM contracting.

9. [] reminded us that in mid-fall "we go to the mat with [] on the U2 program." This apparently refers to the old question of a single manager for the entire U2 program. [] quite correctly reminded him that this is not a budget matter but a policy matter to be considered by OSA, DDS&T and the DCI. Therefore, we should address ourselves not to [] and the BOB but to Mr. Duckett and Mr. Helms.

10. In reference to additional funds for OSA, possibly stemming from additional OXCART activity, [] leans toward reserve release for relief of OSA's budget limitations. The real question is whether OSA gets the "C" Budget, which includes additional OXCART money, or the "A" Budget with a reserve release.

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11. [] then outlined the procedure by which the FY 69 position decrease in OSA Headquarters become [] be reduced were identified and he s []

12. The five positions transferred from Headquarters to the detachments in the FY 68 budget were identified as 1 Link Trainer Operator to Edwards, 1 Navigator [] Life Support Technician to Edwards for the U2R, 1 Administrative position []

13. [] then described specific requirements making up the communications equipment request for FY 68 and FY 69. Of particular note here was his proposal (which stemmed from OSP) to procure high speed data communications equipment and secure voice equipment. We should recall that Mr. Duckett specifically deleted these items from the Combined Program Call.

Chief

Plans and Programs Branch

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